

FTC FACTS for Consumers

You Make the Call: The FTC's New Telemarketing Sales Rule

**T**

he Federal Trade Commission's (FTC's) amended Telemarketing Sales Rule (TSR) will put consumers in charge of the number of telemarketing calls they get at home. With the creation of a national "do not call" registry, the FTC will make it easier and more efficient for consumers to stop getting the telemarketing sales calls they don't want.

Facts for Consumers

When will the national “do not call” registry take effect?

- In July, consumers may begin registering for free online or by calling a toll-free number. To better manage the anticipated volume of registrations, initial sign-up by phone for the national “do not call” registry will be phased in, region-by-region, over an eight-week period. Online registration will be available nation-wide in July.
- In September, telemarketers and other sellers will have access to the registry. They will be required to scrub their call lists against the national “do not call” registry at least once every 90 days.
- In October, the FTC and the States will start to enforce the national “do not call” registry provisions of the Amended Telemarketing Sales Rule. Violators are subject to a fine of up to \$11,000 per violation. At this point, consumers on the registry should start to get fewer telemarketing calls.

The FTC’s implementation schedule for the national “do not call” registry will be updated at www.ftc.gov/donotcall.

How will the national “do not call” registry work?

You will be able to register for free online or by calling a toll-free number. If you are registering by phone, you will have to call from the telephone number that you wish to register. If you register online, you may need to provide limited personal information for confirmation. The only identifying information that will be kept in the registry will be the phone number you register. You can expect fewer calls within three months of the date you sign up for the registry.

Your number will stay in the registry for five years or until you take your number out of the registry or change phone numbers. After five years, you will be able to renew your registration.

The law requires telemarketers to search the registry every 90 days and delete from their call lists phone numbers that are on the registry. If you find that you are receiving telemarketing calls even after you have registered your telephone number, you will be able to file a complaint with the FTC online or by calling a toll-free number. A telemarketer who disregards the national “do not call” registry could be fined up to \$11,000 for each call.

Who is covered by the national “do not call” registry?

Placing your number on the national “do not call” registry will stop most, but not all, telemarketing calls. Some businesses are exempt from the TSR and can still call you even if you place your number on the registry. (These include long-distance phone companies and airlines, and insurance companies that operate under state regulations.) But most telemarketing calls are placed by professional telemarketing companies, and they are not exempt, even if they are calling on behalf of an exempt company. The bottom line: Professional telemarketers cannot call you if you are on the registry.

There are other business that are not required to “go by the list.” For example, organizations with which you have an established business relationship can call you for up to 18 months after your last purchase, payment or delivery — even if your name is on the national “do not call” registry. And companies to which you’ve made an inquiry or submitted an application can call you for three months. However, if you ask a company not to call you, it must honor your request, even if you have an established business relationship.

If you place your number on the national registry, you may give written permission to particular companies that you want to hear from. If you don't put your number on the national registry, you can still prohibit individual telemarketers from calling, one by one, by asking them to put you on their company's "do not call" list.

One more important point: Although callers soliciting charitable contributions do not have to search the national registry, a for-profit telemarketer calling on behalf of a charitable organization must honor your request to be put on its "do not call" list.

How does the national "do not call" registry square with state lists?

Many states have "do not call" registries. The FTC is working to coordinate the national "do not call" registry with these states to avoid duplication. This process will take a year or more; check the FTC's website or your state attorney general's office for details.

Are there other protections against unwanted telemarketing calls?

The Telemarketing Sales Rule prohibits deceptive and abusive telemarketing acts and practices and protects you from unwanted late-night telemarketing calls:

- Calling times are restricted to the hours between 8 a.m. and 9 p.m.
- Telemarketers must promptly tell you the identity of the seller or charitable organization and — before they make their pitch — that the call is a sales call or a charitable solicitation.

- Telemarketers must disclose all material information about the goods or services they are offering and the terms of the sale. They are prohibited from lying about any terms of their offer.

In addition to creating the national "do not call" registry, the amendments to the TSR will:

- **Greatly reduce abandoned calls.**

Telemarketers will be required to connect the call to a sales representative within two seconds of the consumer's greeting. This will reduce the number of "dead air" or hang-up calls you receive from telemarketers. These

calls result from the use of automatic

dialing equipment that some-

times reaches more numbers than there are available

sales representatives. In

addition, when the

telemarketer doesn't

have a representative

standing by, a re-

corded message must

play to let you know

who's calling and the

telephone number

they're calling from.

The law prohibits a sales

pitch. And to give you time

to answer the phone, the

telemarketer may not hang up before

15 seconds or four rings.

- **Restrict unauthorized billing.**

Before billing charges to your credit card account, telemarketers will be required to get your express informed consent to be charged — and to charge to a specific account. If a telemarketer has your account information before the call and offers you goods or services on a free trial basis before charging you automatically — also known as a "free-to-pay conversion" offer — the telemarketer must get your permission to use a particular

**More information
on the national
"do not call" registry
and the
Telemarketing Sales
Rule is available at
www.ftc.gov/donotcall.**



Facts for Consumers

account number, ask you to confirm the number by repeating the last four digits, and, for your protection, record the entire phone transaction.

- **Require caller ID transmission.**

Telemarketers will be required to transmit their telephone number and if possible, their name, to your caller ID service. That will protect your privacy, increase accountability on the part of telemarketers, and help in law enforcement efforts. This provision will take effect one year after the release of the Rule.

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a complaint or to get free information on consumer issues, visit www.ftc.gov or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into Consumer Sentinel, a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

FEDERAL TRADE COMMISSION	FOR THE CONSUMER
1-877-FTC-HELP	www.ftc.gov

Federal Trade Commission
Bureau of Consumer Protection
Office of Consumer and Business Education

March 2003